IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

WRS, INC., d/b/a WRS MOTION PICTURE LABORATORIES, a corporation Plaintiff, v. PLAZA ENTERTAINMENT, INC., a corporation, ERIC PARKINSON, an individual, CHARLES von BERNUTH, an individual and JOHN HERKLOTZ, an individual Defendants	)	No. 2:00-CV-2041-AJS

SECOND AFFIDAVIT OF ERIC PARKINSON IN SUPPORT OF REQUEST FOR RELIEF UNDER FED. R. CIV. P. 60

1. My name is Eric Parkinson and my current business address is 1722 N. College C-303, Fayetteville, AR 72703.

2. I am making this Affidavit based upon my own personal knowledge of the facts set forth herein and in support of the Motion for Relief under Fed R. Civ. P. 60 that has been filed on behalf of Defendant Charles Von Bernuth.

3. I have reviewed WRS's response to my first Affidavit and the documentation it has submitted in connection with that response.

4. While I take issue with many of WRS's statements, I will limit this Second Affidavit to a few of the most pertinent responses.

5. WRS attributes its alleged inability to collect Plaza receivables to the right of Plaza customers to return tapes that they could not resell.

6. This is no explanation because only a few Plaza customers, such as Walmart and Musicland, obtained our products on a consignment basis giving them the right to return unsold tapes. Most Plaza customers did not have any such right.

7. While the issue of returns may have played a part in the generation of Plaza's debt to WRS existing at the time of the Services Agreement, because Walmart did return a large number of Giant of Thunder Mountain tapes, returns could not account for the increase in Plaza's debt to WRS allegedly occurring after the Services Agreement was entered.

8. To the contrary, actually authorized sales of Plaza's products which occurred after the entry of the Services Agreement were predominantly final sales, not subject to a right of return. Thus, as explained in my first Affidavit, the accounts receivable booked through these sales should have been collected by WRS, generating revenues more than four times the value of the replication costs associated with the sales. (See my original Affidavit at Paragraph 47).

9. WRS claims that it could not sell the Plaza inventory it was holding without violating copyrights pertaining to these products.

10. First, I have learned from Peter Busch, the video buyer at Musicland Group, that in fact WRS did continue to manufacture and sell certain Plaza products even after Plaza had lost distribution rights to those specific titles and had so advised WRS of the expiration of sales rights. Plaza advised WRS of the loss of its rights in these selected films in 1999, but Mr. Busch states that WRS continued to fill orders for these titles up until 2001.

11. Furthermore, while WRS blocked Plaza's attempts to sell inventory as detailed in my first Affidavit (See Paragraph 48 thereof), WRS has never accounted for what happened to the inventory or returned it to Plaza.

12. If the inventory was in fact not sold, then presumably WRS still has it and should account for its value now in any settling of the accounts between Plaza and WRS.

13. In response to the evidence I have produced that payments were made on Plaza receivables but never accounted for by WRS in any of its accountings, including the accounting related to the lock box, WRS has suggested that certain payments continued to be made directly to Plaza even after the lock box arrangement was put in place.

14. While it is correct that in certain instances because of prior arrangements with third parties, receivables were specifically exempted from the lock box arrangement, this was done with a full knowledge and agreement of WRS. Attached to this Affidavit as Exhibit A is my Memorandum of October 20, 1999 to Charles Von Bernuth recounting a conversation we had had with Joe Gerek of WRS

concerning these exempt receivables. One of the exempt receivables was the one to which WRS's Exhibit 18 refers, Video Products Distributors ("VPD"), and confirming evidence of that is contained in Exhibit A hereto.

15. The Plaza customer to whom Paragraph 28 of my original Affidavit refers, Anderson Merchandisers, was not a customer exempted from the lock box arrangement. Anderson Merchandisers had been instructed to send its payments for all eligible receivables to the lock box at the time it made the payments referenced in Paragraph 28 of my original Affidavit. The same is true for the other companies mentioned in Paragraph 28, Baker and Taylor Video, Musicland Group and Major Video Concepts. For the specific July 19, 1999 instruction letter to the latter, see Exhibit F to my Original Affidavit.

16. The fact that we received direct payments from certain customers after the advent of the lock box, with full knowledge and concurrence of WRS, is not an explanation for why other customer payments do not appear in the accounting WRS has presented to the Court in support of its request for judgment in this matter.

17. With regard to memos from me to WRS telling WRS to keep 100% of collections into the lock box account. This was a position I came to only in mid 2000 when despite my persistent requests it became clear that WRS was going to keep 100% of collections in any event. I never authorized WRS to keep 100% of lock box collections prior to that and in fact WRS was in clear breach of the Services Agreement by the time of these memos. My hope at the time was that through an arrangement with the third company, Entertech, I would be able to extricate Plaza from its relationship

with WRS altogether. I intended to do this by obtaining financing from Entertech to pay off any amounts legitimately owed to WRS, which I believed to be much less than WRS was reporting and then to terminate the WRS lock box arrangement and to use Entertech as a new service provider for Plaza. Unfortunately this transaction was not concluded in material part because WRS refused to agree to reasonable terms proposed to them.

18. The WRS billings were inflated, and contrary to their response, Plaza made written objections to these over billings, as evidenced by Exhibit 9 of plaintiff's response. In this particular case, WRS have over-charged Plaza by ninety-two percent (92%) rates beyond the contractually established cost of goods.

19. There are many other misstatements and misleading statements contained in the response to my Affidavit. That is why I support Mr. Von Benuth's request for a trial in this matter where all of the facts and circumstances related to our relationship with WRS can be brought forward.

20. Pursuant to 28 U.S.C. § 1746, I hereby declare under penalty of perjury that the facts set forth in this Affidavit are true and correct based upon my personal knowledge thereof.

Executed on November 12, 2007

Eric Parkinson

EXHIBIT "A"

Kevin - per Joe Gerek, proceed + deposit VPD check. please help Charles prepare the exclusions report (check the TxStar files).

MEMORANDUM

October 20, 1999

TO: CHARLES VON BERNUTH,

FROM: ERIC PARKINSON

RE: WRS ACKNOWLEDGMENT OF EXCLUDED A.R. PAYMENTS

Charles ~

As per our discussion with Joe Gerek, I think that we should make it a priority to itemize in written format, any and all of the sales / receivables that are excluded or otherwise non-applicable to the Lock Box lien. He has already acknowledged that television, international, inventory close-outs (from non-WRS product) are excluded. Where we need clarification are on revenues such as the current V.P.D. payment, reflecting receivables that were previously pledged to TxStar (the Sneeds loans) or other priority creditors, and as such, are excluded from the WRS lien. He has acknowledged this, and agreed. However, the multiple drafts of the Lock Box & Services Agreements have conflicting language and fail to clearly itemize the specifically excluded receivables.

Please review the TxStar files and provide back-up to Joe Gerek for all of the receivables that were previously pledged. At this time, I believe the total is less than $30,000, including V.P.D., E.T.D., Valley and a few others. You can utilize Kevin to gather up the files, and Michelle to itemize previous payments on these excluded accounts.

I'd like to have a report completed and mailed to Joe Gerek awaiting him when he returns from his holiday (approx. 2-weeks I think he said?). If WRS is facing mounting pressure from National Bank of Canada, as Joe mentioned, I would not want to risk facing an overzealous interpretation of our eligible receivables to exacerbate an already strained relationship.

THANKS -- ERIC PARKINSON